House of Commons

Science and Technology Committee

Pre-appointment hearing with the Government's preferred candidate for Chair of the Technology Strategy Board

Tenth Report of Session 2010–12

Volume I

Report, together with formal minutes

Ordered by the House of Commons to be printed 24 October 2011

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The Science and Technology Committee

The Science and Technology Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Government Office for Science and associated public bodies.

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The Committee is one of the departmental Select Committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No.152. These are available on the Internet via www.parliament.uk

Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at http://www.parliament.uk/science. A list of reports from the Committee in this Parliament is included at the back of this volume.

The Reports of the Committee, the formal minutes relating to that report, oral evidence taken and some or all written evidence are available in printed volume(s).

Additional written evidence may be published on the internet only.

Committee staff

The current staff of the Committee are: Elizabeth Flood (Clerk); Dr Stephen McGinness (Second Clerk); Dr Farrah Bhatti (Committee Specialist); Xameerah Malik (Committee Specialist); Andy Boyd (Senior Committee Assistant); Julie Storey (Committee Assistant); and Becky Jones (Media Officer).

Contacts

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Background

1. The July 2007 Green Paper *The Governance of Britain* proposed the introduction of pre-appointment hearings for key public officials in which Parliament has a strong interest. It stated that, in each case, it should fall to the relevant select committee to conduct the hearing, which should cover issues such as the candidate's suitability for the role, his or her key priorities, and the process used in selection.[1] The Government's proposal was welcomed by the Liaison Committee,[2] which began to discuss with the Government the framework for pre-appointment hearings and, in particular, which appointments should be subject to them. The Liaison Committee agreed a list of such posts with the Government in May 2008.[3] This list is currently under review.

2. The Liaison Committee has published guidance for committees to ensure that hearings are conducted appropriately. The outcome of the hearing is non-binding, although the report from a committee holding a pre-appointment hearing should inform Ministers' decision-making on whether or not to proceed.

3. The post of Chair of the Technology Strategy Board was not one of the positions originally named in *The Governance of Britain* or in the list of posts agreed between the then Government and the Liaison Committee in 2008. However, the Secretary of State for Business, Innovation and Skills invited us to hold a hearing with the Government's preferred candidate, Mr Phil Smith, because "the Cabinet Office is currently reviewing the list, and given the important role of the TSB as the Government's prime channel for supporting business-led innovation and in the interest of transparency, I was keen to have this appointment properly scrutinised."[4] The Secretary of State's letter, the candidate's curriculum vitae and two memoranda from the Government setting out the requirements of the post and the details of the recruitment process, are all printed with this Report.

4. We accordingly invited Mr Phil Smith to attend a pre-appointment hearing on 24 October 2011.

Technology Strategy Board and the role of the Chair

5. The Technology Strategy Board (TSB) is an executive non-governmental public body—it has executive powers and operates at arm's length from Government—and its purpose is to stimulate technology development and innovation in the areas which offer the greatest potential for boosting UK growth and productivity. It achieves this by investing in new ideas, building networks and promoting the exchange of knowledge between industries, academia and society as a whole. The Technology Strategy Board is sponsored by, and reports to, the Department for Business Innovation and Skills. Overall strategy and direction is set by a Governing Board composed of members drawn mainly from business.

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[1] Cm 7170, para 76

[2] The Liaison Committee consists of the chairs of all the House of Commons select committees.

[3] First Special Report of the Liaison Committee, Session 2007–08, HC 594, *Pre-appointment hearings by select committees: Government response to the Committee's First Report of Session 2007–08*

[4] Letter dated 23 September 2011 from the Secretary of State for Business, Innovation and Skills to the Chair

The executive management team, led by the Chief Executive, is responsible for the day-to-day operations and administration of the organisation.

6. The Technology Strategy Board has a budget of about £300 million pa which includes core funding of about £252 million, plus £45 million earmarked for the Technology Innovation Centres and a further £20 million replacing the former contribution of £300 million of aligned funding from the RDAs and the Research Councils (who contributed £180m and £120m respectively).[5] Private sector funding to match this is expected to increase the overall investment. It employs about 130 people including lead technologists who are focal points for their technology areas and develop new programmes; managers who build strategic relationships with business, Government and other external stakeholders; and the delivery team who ensure that programmes run smoothly and are effectively managed.

7. When advertising the post, the Department described the Chair as having:

> particular responsibility for providing leadership on matters such as:
>
> formulating the Governing Board's strategy for discharging its mission as given by the objects in its Royal Charter;
>
> encouraging high standards of propriety, and promoting the efficient and effective use of staff and other resources throughout the Technology Strategy Board;
>
> ensuring that the Governing Board, in reaching decisions, takes proper account of guidance provided by the Secretary of State for BIS;
>
> representing the views of the Governing Board to the general public;
>
> providing an annual assessment of performance of individual members of the Governing Board.

8. The appointment is for four years, with the possibility of renewal at the expiry of that period. The Chair is expected to be "flexible" in his/her time commitment to the role, but generally the commitment is for 24 days' work per annum, with a salary of £15,720.

The preferred candidate: Mr Phil Smith

The candidate's background

9. Phil Smith is Chief Executive Officer of CISCO UK and Ireland (July 2008-present). He has held various positions within CISCO for 17 years, including 13 years at board level, and has worked within the ICT sector for nearly 30 years. He is currently a board member of a number of organisations, including: the Thames Valley Economic Partnership, e-skills (the IT sector skills council), the National Board of Young Enterprise, and the Employers Forum on Disability.

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[5] See oral evidence given by the Minister of State for Universities and Science to the Committee on 14 September 2011: Qq 227–229, *Spending Review 2010*, HC 618-iii

Our evidence

10. In line with the guidance produced by the Liaison Committee on the conduct of pre-appointment hearings, our questioning was intended to test the candidate's professional competence and personal independence. In particular, we asked about the following specific matters:

- Any relevant expertise Mr Smith could bring to the post;
- His understanding of scientific and technology issues outside the IT sector;
- Future priorities for the TSB;
- His ability to broker agreements between business and scientists; and
- His approach to ensuring match funding from the private sector.

The Committee's view on the suitability of the candidate

11. Phil Smith's career has been predominantly within a rapidly evolving technical sector. He has held a number of senior posts in his career, and has had considerable experience in balancing the sometimes conflicting demands of business and technologists in relation to technological development and transfer into business application. It is clear to us that he is perfectly able to convince the business community that he appreciates and will take into account their concerns and priorities. We were keen to determine whether Mr Smith would be able easily to gain the confidence of the science community, given the wide range of disciplines that fall within the ambit of the TSB. We are satisfied that he will do so. He was able to reassure us that he had a clear vision for the future of the TSB and the challenges it will face in the current economic situation.

12. **We are satisfied that Phil Smith has demonstrated the high degree of professional competence and personal independence required to chair the TSB as it is now and as it will develop in the future. We recommend that the Minister proceed with the appointment. We wish Mr Smith well in his new post and look forward to working with him in the future.**

Formal Minutes

Monday 24 October 2011

Members present:

Andrew Miller, in the Chair

Stephen Mosley
Pamela Nash
Roger Williams

Draft Report (Pre-*appointment hearing with the Government's preferred candidate for Chair of the Technology Strategy Board*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 12 read and agreed to.

Resolved, That the Report be the Tenth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Written evidence was ordered to be reported to the House for printing with the Report.

[Adjourned till Wednesday 26 October at 9.00 am

Witness

Monday 24 October 2011

Phil Smith, Chair-elect of the Technology Strategy Board

List of printed written evidence

1 Phil Smith Curriculum Vitae
2 TSB Chair: Role and person specification
3 TSB Chair: Appointment process
4 Letter dated 23 September 2011 from the Secretary of State for Business, Innovation and Skills to the Chair

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